

Workforce News



A quarterly publication of the Department of Workforce Services: issued March 2010

Wasatch Front North: Davis, Morgan, Weber

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In Recession? Where Do the Wasatch North Counties Stand?

Inside:

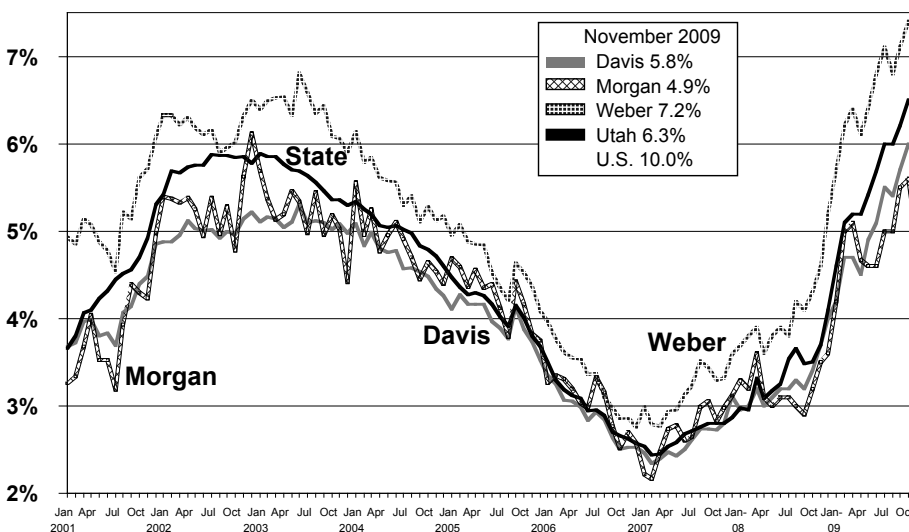
- **Davis:** Unemployment up slightly and job losses slowing.
- **Morgan:** Actual growth in jobs but a jump in joblessness.
- **Weber:** Job losses still high and unemployment up a little.



Contact the author, your regional economist, with any questions on content:

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State, Davis, Morgan, & Weber County Monthly Unemployment Rates*



*Seasonally Adjusted

Source: Utah Department of Workforce Services

The R word has been flying around now for a couple of years so it's time to take a look at where the local economies are in this context. First of all, the nation has been in a recession since December of 2007, so that's about two years. But have the three Wasatch Front Counties also been in a recession? It is safe to say that the answer is yes, but the recession has impacted the counties in different ways and at different times. The primary indicator for an economic downturn at the county level is sustained loss of jobs. Two

(continued)

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In Recession? (continued)

graphs per county have been provided showing the level of employment and the monthly year-over change in jobs. Also shown are graphs for the unemployment rate and spending history.

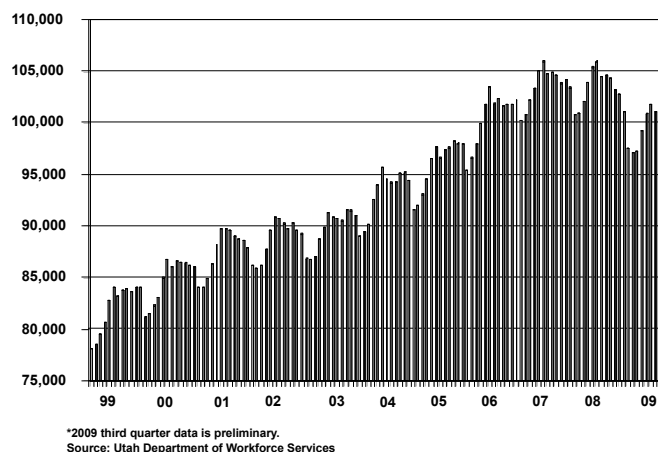
Davis County

Employment increased steadily through the 1999 to 2007 period. Peak employment was 105,370 in May of 2008. The county was not adversely affected by the 2000-2001 Dot-Com recession as were many other areas. Industry diversity and the presence of Hill Air Force Base have to some degree insulated the economy from recessionary impacts. Unemployment bottomed out in early 2007 with an unprecedented level of 2.3 percent (seasonally adjusted). It has quickly risen to 6.1 in December 2009. Soon after 2007 growth slowed and disappeared all together in July of 2008 when job losses commenced and accelerated into 2009. The highest rate of job loss was in March of 2009 when there were 4.7 percent fewer jobs than in March of 2008. The good news is that the shedding of jobs has decelerated to about -2.3 percent (or 8,000 jobs) in September. Construction, manufacturing, and to some extent the recommissioning at the base contributed to the loss of employment. Spending, an important indicator of the health of the local economy, has actually declined both in 2008 and 2009. The county's sputtering economy hopefully has bottomed out.

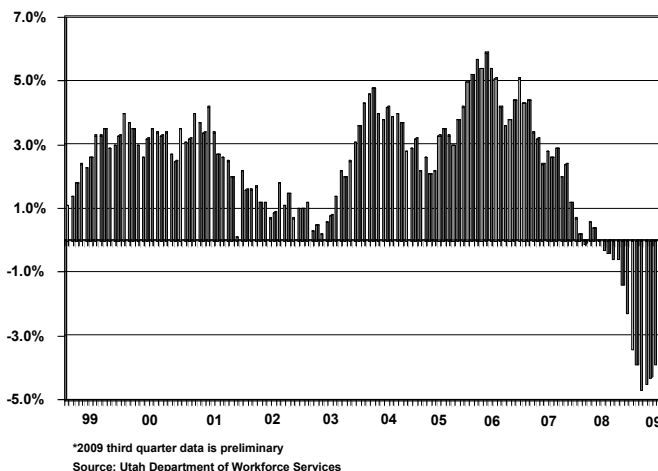
Morgan County

Vibrant growth was a good descriptor of the county's economy, particularly from 2003 through 2007 when jobs increased from about 1,600 to 2,000. Since then employment has fallen back to about 1,800 with year-over job losses starting in January 2008 and continuing through September 2009. August of 2008 was the worse loss, about 7.9 percent. Losses have weakened and the county is about back to just holding its own.

Davis County Employment*



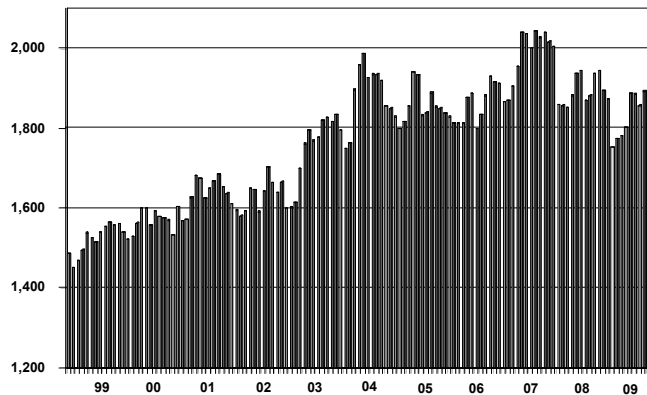
Davis County Employment Growth Rates



Unemployment bottomed out at a extremely low 2.2 percent rate in February of 2007. That rate, because of the jobs losses, has increased to 6.3 percent in December of 2009. Spending in the county was actually up in 2008 (11 percent) but slipped to -2 percent in the first

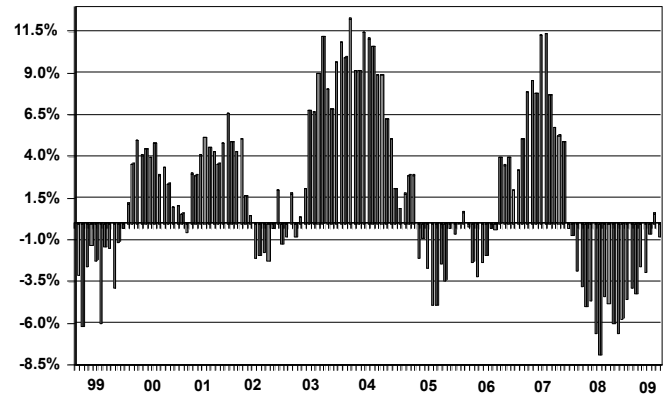
In Recession? (continued)

Morgan County Employment



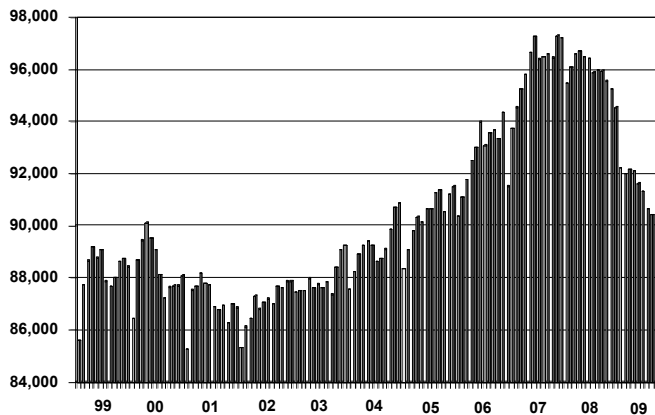
*2009 third quarter data is preliminary
Source: Utah Department of Workforce Services

Morgan County Employment Growth Rates



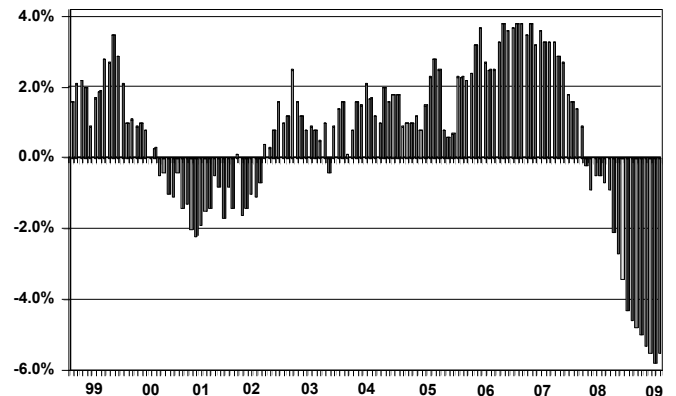
*2009 third quarter data is preliminary.
Source: Utah Department of Workforce Services

Weber County Employment



*2009 third quarter data is preliminary
Source: Utah Department of Workforce Services

Weber County Employment Growth Rates



*2009 third quarter data is preliminary.
Source: Utah Department of Workforce Services

9 months of 2009. Morgan, like many of the smaller counties on the Wasatch Front, has felt the recession's impact.

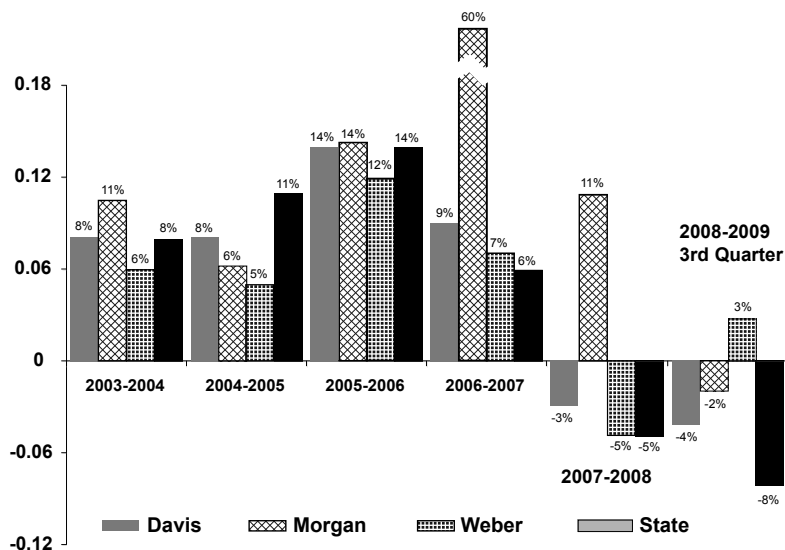
Weber County

The national recession slammed home in Weber County in the spring of 2008. That's when jobs started

declining, and they haven't started to return yet (September 2009). The county enjoyed a steady increase in total employment starting in 2002, peaking in late 2007. Total employment increased from roughly 85,000 to 96,000 just as the nation fell into the downturn in December of 2007. Since then, the peak job losses increased to nearly 6.0 percent (from May of

In Recession? (continued)

Davis, Weber, & State Gross Taxable Sales (spending) Rate of Change 2003-2009 (3rd Qtr.)



Source: Utah State Tax Commission.

2008 through September 2009). Weber County has lost the jobs it gained since 2006. As with Davis County, Weber construction and manufacturing were hit the hardest. Unemployment, which bottomed at just below 3.0 percent back in 2007 has jumped dramatically to over 7.6 percent in December of 2009. It appears that the state's employment losses hit bottom in August of 2009. Hopefully, Weber County is also doing the same. One really positive note is spending. Of the Wasatch Front North counties, only Weber experienced an increase in consumer spending through the first 9 months of 2009. **WFN**

For more info:

You can get occupational wage rates for individual occupations and wage tables showing all the survey occupations at:

<http://jobs.utah.gov/jsp/wi/utalmis/gotoOccwage.do>

What's Up?

"Nearly half of the **Utah state road projects** funded with last year's federal stimulus money are complete. All projects in Weber and Davis counties have been obligated for funding and nearly all have been completed. In Weber County, seven road projects have been funded and finished with stimulus money, totaling \$12.4 million. In Davis County, seven projects were funded with \$26.3 million total stimulus dollars. The Syracuse Road project received most of Davis County's stimulus money, with nearly \$20 million of the project's \$31.7 million total cost coming from the American Recovery and Reinvestment Act."

-Standard Examiner

"Ogden City is awaiting a decision on whether it will be permitted to purchase property from the Ogden City School District for the construction of an 85,000-square-foot bicycle distribution facility for **Quality Bicycle Products** on 12th Street. The firm will hire 50 workers initially."

-Standard Examiner

County News

Davis County News

Unemployment for December 2009 was reported at 6.1 percent. This was just 0.3 percent above the December 2008 figure. The job loss slide slowed somewhat during the third quarter of 2009. Year-over rates of decline for July, August and September were -3.1 percent, -2.7 percent, and -2.4 percent respectively. In September the -2.4 percent, equates to -2,520 jobs. Nearly 1,500 of them came in construction and manufacturing (-900). Another 1,000 resulted from declines in wholesale and retail trade. On the positive side, healthcare and the hospitality industries grew by 490 and 120 jobs, respectively. Government employment added 480 federal jobs and 140 positions for local government. Building activity, in terms of permits, actually increased slightly during the first 11 months of 2009. However, total valuation of construction dropped by 18 percent. Consumer spending was also down by -4.3 percent during third quarter. It appears the rate of job losses is slowing which, hopefully, means that recession is bottoming out. There are a few glimmers of light at the national and state level that may be harbingers of better times ahead.

Morgan County News

The unemployment rate in the county for December 2009 was 6.3

percent, which was well above last year's rate of 5.0 percent. Morgan is the only northern Utah county that actually had more jobs in September 2009 than in September 2008, but not by much, only 10 slots. That's a growth rate of 0.5 percent. The county lost 60 jobs in construction but gained positions in financial activities and health-care. Construction activity, both in the number of permits and total valuation were each off by a significant 60 percent for the first 11 months of 2009 compared to that same period in 2008. Consumers spent about 2 percent less in the third quarter this year than last. The economy in the county is holding its own in terms of jobs but is still feeling the effects of the recession.

Weber County News

The unemployment rate for December 2009 was 7.6 percent. This is slightly higher than the December 2008 rate of 7.2 percent. Weber County lost 5.5 percent of its jobs in September, compared to a year ago. That amounts to a decline of

5,260 positions. Nearly half of those came in the construction (-1,300) and manufacturing (1,290) industries. These two industries have struggled not only here in northern Utah, but everywhere. The other half of the fall in employment was concentrated in retail trade (-790), financial activities (-200), and temporary personnel services (-1,060). Healthcare added only 65 new positions, with leisure and hospitality dropping about 180 workers. Even government was off by 210 jobs. Building activity during the first 11 months of 2009 compared to the same time in 2008 was down both in the counts of new permits (-37 percent), but in the valuation of construction (-46 percent). A big measure of how the economy is doing is whether consumers are spending their money. Weber County bucked the trend reporting an increase in spending compared to last year (third quarter) of 2.8 percent. That's good news. Still, the recession continues to reside in the county. **WFN**

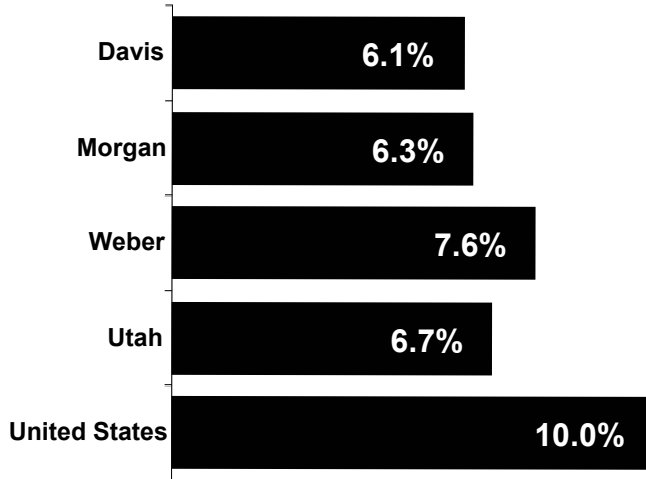
For more info:

Get detailed county-level data and historical county data at:

<http://jobs.utah.gov/countyinfo>

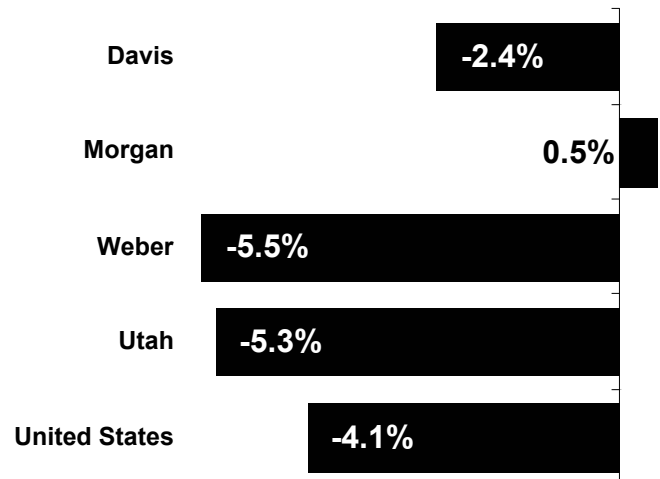
When there, select which county you want to view, then find the *Demographic and Economic Profile* under Publications in the right-hand column.

Seasonally Adjusted Unemployment Rates December 2009



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Percent Change in Nonfarm Jobs September 2008 to September 2009



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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